



By Tom Darin Liskey Houston, 30 March 2012 01:00 GMT

Adira and partners press on with Jurassic project

Israeli-focused explorer Adira Energy and partners are pressing ahead with plans to spud two exploration wells in late 2012 to investigate Jurassic-aged fractured carbonates in the little-explored Syrian Arc structural trend, off the coast of Israel.

Adira is in the process of securing a rig to drill the back-to-back wells in the Yitzhak and Gabriella licences, beginning in the fourth quarter of 2012. "We are progressing the issue," said Jeffrey Walter, the company's new chief executive. Walter could not identify a rig, but said Adira is "getting close" to finding one that fits its drilling schedule.

Recent drilling in the Levant basin that Israel, Cyprus, Syria and Lebanon share has yielded some of the industry's largest gas discoveries in the past decade. Adira believes that is just the tip of the iceberg. Walter, who retired from Noble Energy senior management in 2009, was tapped to spearhead Adira's offshore push. He has been involved in Israeli exploration since 1999. "The gas story has been exciting," he said. "I came to Adira (because) there is an oil story to be told in Israel."

Israel is one of the region's strongest economies and imports virtually all of its oil, or about 270,000 barrels per day. The Adira partnership will initially drill its first well within the Gabriella licence to appraise a reservoir discovered by Isramco's Yam-Yafo wildcat nearly two decades ago. The well tapped the Zohar formation. Flow rates at the time were about 800 barrels per day. Problems during testing — coupled with low oil prices in 1994 — delayed declaration of a commercial discovery. The proposed Adira-operated well will be a step out on the Isramco discovery. Officially known as the Gabriella prospect, it will be drilled in 120 metres of water to a target depth of about 4900 metres. It is "looking for oil where it has already been found", Walter said.

By applying current technology, Adira will be better suited to establish commercial production and finally "could unlock the secrets of that rock," he added. That well will be followed up with the Yitzhak prospect in the licence of the same name. The wildcat will investigate an undrilled structure. Over the next few months, Adira will be building its stockpile of long-lead items for the drilling campaign, and will be securing port space. Modiin Energy, the Tel Aviv-based oil and gas investment group holds a 70% interest in the Gabriella licence, while Brownstone Energy holds 15%. At Yitzhak, Brownstone Energy and Ellomay Capital are partners. An assessment by consultants Netherland, Sewell & Associate has pegged gross unrisked contingent oil resources for the Jurassic target on Gabriella at 110 million barrels of oil. It estimated overall contingent and prospective resources on both Gabriella and Yitzhak at 232.2 million barrels of oil and condensate, plus 1.8 trillion cubic feet of natural gas.